

Message Text

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PAGE 01 THE HA 01421 161317Z
ACTION EUR-12

INFO OCT-01 ISO-00 AGRE-00 CIAE-00 COME-00 EB-08
INR-10 LAB-04 NSAE-00 SP-02 STR-07 TRSE-00 FRB-03
OMB-01 L-03 /051 W
-----006711 162351Z /17
R 161157Z MAR 78
FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC 2251
INFO EC COLLECTIVE

LIMITED OFFICIAL USE THE HAGUE 1421

E.O. 11652: NA
TAGS: ETRD
SUBJECT: FLORENCE AGREEMENT; IMPLEMENTATION OF ANNEX D

REF: (A) STATE 60577, (B) BRUSSELS A-033, (C) 76 THE HAGUE 3163

1. THE FIVE TRADE SOURCES WE HAVE APPROACHED IN RESPONSE TO
REF A ALL REPORT THAT THERE HAS BEEN NO REPEAT NO DROP IN
SALES OF US SCIENTIFIC EQUIPMENT NOR HAVE THEY NOTICED
THAT NEW EC PROCEDURE FOR ANNEX D OF FLORENCE AGREEMENT HAS
HAD A NEGATIVE INFLUENCE ON SALES OF US EQUIPMENT. HOWEVER,
THEY ALL AGREE THAT THERE HAS BEEN A SUBSTANTIAL DECLINE IN
DUTY FREE APPLICATIONS BY THEIR CUSTOMERS BECAUSE OF THE MORE
STRINGENT EC REQUIREMENTS ON EQUIVALENCY.

2. ACCORDING TO THE TRADE, ALMOST ALL DUTCH INSTITUTIONS
WHICH MIGHT QUALIFY FOR ANNEX D STILL CHOOSE US EQUIPMENT
MAINLY BECAUSE OF STRONG PREFERENCES BASED ON QUALITY AND
PERFORMANCE AND ARE NOT DETERRED BY A 15 PERCENT DUTY. MOST
OF THE INSTITUTIONS AND SCHOOLS ARE STATE SUPPORTED AND
THEIR BUDGETS FOR DESIRED US EQUIPMENT ROUTINELY
INCLUDE FUNDS TO COVER THE DUTY, SHOULD IT BE ASSESSED.
SUCH PURCHASERS, IN DECIDING WHETHER TO APPLY FOR
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ANNEX D DUTY EXCLUSION, ARE GUIDED BY RELIABLE DUTCH
CUSTOMS EXPERT ON SCIENTIFIC EQUIPMENT AND INSTRUMENTS
WHO READILY ADVISES WHETHER GIVEN REQUEST IS LIKELY TO
BE APPROVED BY EC. IF DUTY IS AVOIDED, CUSTOMERS
OFTEN USE RESULTING SAVINGS TO ORDER A FEW EXTRAS FROM
US PRODUCER.

3. IT SHOULD ALSO BE NOTED THAT THE TRADE REPORTS THAT
ANNEX D DUTY EXCLUSIONS WERE DIFFICULT TO OBTAIN, EVEN
PRIOR TO INSTITUTION OF EC RULING IN 1976, WHENEVER
DUTCH CUSTOMS OFFICIALS CONCLUDED THAT IDENTICAL EQUIP-
MENT WAS BEING USED COMMERCIALY OR INDUSTRIALLY IN
NETHERLANDS.
BROWN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, EQUIPMENT, FLORENCE AGREEMENT, TRENDS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978THEHA01421
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780118-0153
Format: TEL
From: THE HAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780358/aaaabwsm.tel
Line Count: 69
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8acda1c5-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 60577, 78 BRUSSELS A-33, 76 THE HAGUE 3163
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3299181
Secure: OPEN
Status: NATIVE
Subject: FLORENCE AGREEMENT; IMPLEMENTATION OF ANNEX D
TAGS: ETRD, IT, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/8acda1c5-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014